

Memorandum of Understanding
Between
Minister of Finance and
Ontario Securities Commission
2019

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1. Purpose

- a. The purposes of this Memorandum of Understanding (the "MOU") are to:
 - Establish the accountability relationships between the Minister of Finance and the Ontario Securities Commission (the "Commission");
 - Clarify the roles and responsibilities of the Minister of Finance, the Chair and CEO of the Commission, the Board, the Executive Director, and the Deputy Minister of Finance; and
 - Set out the operational, administrative, financial, auditing, communications and reporting arrangements between the Commission and the Ministry of Finance that support the accountability requirements within a framework which recognizes that the Board makes independent regulatory decisions.
- b. This MOU should be read together with the *Securities Act and the Commodity Futures Act* and other related legislation. This MOU does not affect, modify or limit the powers of the Commission as set out under any act, regulation or rule, or interfere with the responsibilities of any of its parties as established by law. In case of a conflict between this MOU and any act, regulation or rule, the act, regulation or rule prevails.
- c. This MOU replaces the Memorandum of Understanding between the Parties dated November 5, 2009.

2. Definitions

In this MOU:

- a. "AAD" means the Treasury Board/Management Board of Cabinet Agencies & Appointments Directive;
- b. "Annual Report" means the annual report referred to in article 10.2 of this MOU;
- c. "Applicable Directives" means the Government and TB/MBC directives, policies, standards and guidelines that apply to the Commission, as may be amended or replaced from time to time, which are listed in Appendix 3 to this MOU;
- d. "Board" means the board of directors of the Commission, composed of the Members of the Commission;
- e. "Business Plan" means the Business Plan described under article 10.1 of this MOU;
- f. "CFA" means the *Commodity Futures Act*, R.S.O. 1990, c. C. 20, as amended;
- g. "Chair and CEO" means the Chair and Chief Executive Officer of the Commission;
- h. "Commission" means the Ontario Securities Commission
- i. "Deputy Minister" means the Deputy Minister of the Ministry of Finance;
- j. "Director" has the meaning given to it in the *Securities Act*;
- k. "Ethics Executive" means the Ethics Executive of the Commission;
- l. "*Executive Council Act*" means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- m. "Executive Director" means the Executive Director of the Commission;

- n. "Fees" means fees, levies, and other charges as may be established by a rule of the Commission;
- o. "FIPPA" means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F. 31, as amended;
- p. "Fiscal Year" means the 12 months' financial reporting period beginning April 1 and ending March 31 of the following year;
- q. "Government" means the Government of Ontario;
- r. "Legislative Assembly" means the Legislative Assembly of the Government of Ontario;
- s. "MBC" means the Management Board of Cabinet;
- t. "Members" means the members of the Commission;
- u. "Minister" means the Minister of Finance or such other person who may be designated from time to time as the Minister responsible for the Act in accordance with the *Executive Council Act*;
- v. "Ministry" means the Ministry of Finance or any successor to the Ministry;
- w. "MOU" means this Memorandum of Understanding signed by the Minister and the Chair and CEO;
- x. "OPS" means the Ontario Public Service;
- y. "Parties" means the parties to this MOU;
- z. "President of Treasury Board" means the President of Treasury Board or such other person who may be designated from time to time under the *Executive Council Act*;
- aa. "Province" means the Province of Ontario;
- bb. "PSOA" means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended;
- cc. "*Securities Act*" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;
- dd. "Statement of Priorities" means the document which sets out the Commission's priorities in connection with the administration of the *Securities Act*;
- ee. "Statutes" means the *Securities Act* and the *CFA*, and the regulations and rules thereunder;
- ff. "TBS" means the Treasury Board Secretariat;
- gg. "TB/MBC" means the Treasury Board/Management Board of Cabinet;
- hh. "Tribunal" means the administrative tribunal of the Commission that is assigned the power to conduct hearings under the *Securities Act*; and
- ii. "Vice-Chair" means the Vice-Chair of the Commission.

3. Commission's Legal Authority and Mandate

- a. The legal authority of the Commission is set out in the Statutes. The Commission also exercises powers and authority under the *Business Corporations Act*, R.S.O. 1990 c. B.16.
- b. The Commission is responsible for the administration of the Statutes and for discharging the powers and duties assigned to it under the Statutes and any other relevant legislation.

- c. The mandate of the Commission under section 1.1 of the Statutes is to provide protection to investors from unfair, improper or fraudulent practices, to foster fair and efficient capital markets and confidence in capital markets, and to contribute to the stability of the financial system and the reduction of systemic risk.

4. Agency Type and Public Body Status

- a. The Commission is classified by the MBC as a regulatory agency with a governing board, and, for purposes of the Procurement Directive, as an "Other Included Entity".
- b. The Commission is prescribed as a public body under Ontario Regulation 146/10 under the PSOA.

5. Corporate Status and Crown Agency Status

- a. The Commission is a statutory corporation without share capital and is comprised of Members appointed by the Lieutenant Governor in Council.
- b. The Commission has the capacity, rights, powers and privileges of a natural person, subject to the limitations placed upon it under the Statutes.
- c. The Commission is an agency of her Majesty in right of Ontario (subsection 3(12) of the *Securities Act*).
- d. The Commission is not subject to the *Business Corporations Act*, the *Corporations Act*, or the *Corporations Information Act*, except as otherwise provided in the Statutes.

6. Guiding Principles

The Parties agree that they will adhere to the principles set out below in their relationship:

- a. The Minister recognizes that the Commission is a statutory body and that the Commission, the Chair and CEO and the Executive Director exercise powers and perform duties in accordance with their respective mandates under the Statutes and other relevant legislation.
- b. The regulatory and adjudicative decisions of the Commission must be made and be seen by the public to be made in an independent and impartial manner.
- c. The Commission shall operate as an arm's-length agency of the Government.
- d. The Parties acknowledge and agree:
 - i. The Government, through the Ministry, is responsible for setting the policy direction for the regulation of capital markets in Ontario and for the legislative framework implementing such policy;
 - ii. The Commission plays a meaningful role in the development of the policies of the Government for the regulation of capital markets in Ontario, as well as in the implementation of those policies; and
 - iii. Ministry and Commission staff will participate in working groups as appropriate and will schedule work in progress meetings on a regular basis.
- e. The Commission acknowledges that it is accountable, through the Minister, to the Legislative Assembly in exercising its mandate.

- f. As an agency of the Government, the Commission conducts itself according to the management principles and policy priorities of the Government. The management principles include ethical behaviour, accountability, excellence in management, wise use of public funds, high quality service to the public and fairness in the marketplace, and openness and transparency to the extent allowed under the law.
- g. The Minister, the Chair and CEO and the Board are committed to a strong and independent Commission that is empowered to fulfill its statutory mandate efficiently and effectively. They share the goal of establishing and maintaining a co-operative relationship that facilitates the efficient and effective administration of the Commission and the fulfillment of its statutory mandate.
- h. The Commission and the Ministry agree to avoid duplication of work or services wherever possible.
- i. The Commission and the Ministry recognize that the timely exchange of information and effective consultation are essential to discharging their respective responsibilities.
- j. The Commission and the Ministry will work together in a mutually respectful manner.
- k. The Commission shall conduct its affairs and operations with a focus on ensuring the best interest of Ontario taxpayers and citizens are considered.
- l. The Commission shall conduct its affairs with a focus on ensuring red tape burden reduction is a priority for all internal and external processes.

7. Accountability Relationships

7.1 MINISTER

The Minister is accountable:

- a. To Cabinet, its committees and the Legislative Assembly for the Commission's fulfilment of its mandate and its compliance with applicable Government policies, and for reporting to the Legislative Assembly on the Commission's affairs;
- b. For reporting and responding to TB/MBC on the Commission's performance and compliance with Applicable Directives; and
- c. To Cabinet for the performance of the Commission and its compliance with Applicable Directives and broad policy directions.

7.2 CHAIR and CEO

The Chair and CEO is accountable to the Minister:

- a. For reporting to the Minister, as requested, on the Commission's activities;
- b. For ensuring that significant policy initiatives undertaken by the Commission, and other matters relating to its operations that would be of importance to the Minister are brought to the attention of the Minister in a timely fashion; and
- c. For carrying out the roles and responsibilities assigned to the Chair and CEO by the Statutes, the Commission's by-laws, this MOU and Applicable Directives.

7.3 MEMBERS

The Members are accountable, through the Chair and CEO, to the Minister:

- a. For the oversight and governance of the Commission;
- b. For oversight of the goals, objectives and strategic directions for the Commission to achieve its mandate;
- c. For the oversight of the Commission's performance in fulfilling its mandate and adhering to its statutory mandate; and
- d. For carrying out the roles and responsibilities assigned to the Members by the Statutes, other relevant legislation, the Commission's by-laws, this MOU and Applicable Directives.

Members perform three distinct roles in support of the Commission's mandate – governance, regulation and adjudication:

- a. **Governance:** Members exercise oversight of the management of the financial and other affairs of the Commission as the Board and attend meetings of the Board and its standing committees;
- b. **Regulation:** Members approve and oversee the implementation of the Commission's regulatory initiatives and priorities, make rules that have the force of law and adopt policies that influence the behaviour of capital market participants; and
- c. **Adjudication:** Members, other than the Chair and CEO, preside over administrative proceedings brought before the Tribunal and act independently of their other roles to ensure hearings are conducted in a fair and impartial manner.

7.4 DEPUTY MINISTER

The Deputy Minister is accountable:

- a. To the Secretary of the Cabinet and the Minister for the performance of the Ministry in providing administrative and organizational support to the Commission, if any, and for carrying out the roles and responsibilities assigned to the Deputy Minister by the Minister, this MOU and Applicable Directives; and
- b. For attesting to TB/MBC on the Commission's compliance with Applicable Directives.

8. Roles and Responsibilities

8.1 MINISTER

The Minister is responsible for:

- a. Reporting and responding to Cabinet, its committees and the Legislative Assembly on the affairs of the Commission;
- b. Reporting and responding to TB/MBC on the Commission's performance and on the Commission's compliance with Applicable Directives and TB/MBC policy directions;
- c. Reviewing the advice or recommendation of the Chair and CEO on candidates for appointment or reappointment to the Commission;

- d. Making recommendations to Cabinet and the Lieutenant Governor in Council for appointments and reappointments to the Commission, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD;
- e. When appropriate or necessary, directing the Commission to consider taking corrective action with respect to the Commission's administration or operations;
- f. Determining at any time the need for a review or audit of the Commission, directing the Chair and CEO to undertake reviews of the Commission on a periodic basis, and recommending to TB/MBC any change(s) to the governance or administration of the Commission resulting from any such review or audit;
- g. Recommending to TB/MBC, where required, the merger, any change to the mandate, or dissolution of the Commission;
- h. Recommending to TB/MBC the powers to be given to, or revoked from, the Commission when a change to the Commission's mandate is being proposed;
- i. Reviewing a by-law or rule proposed by the Commission and approving the by-law or rule, rejecting it or returning it to the Commission for further consideration;
- j. Receiving, reviewing and approving the Commission's Annual Report and ensuring that the Annual Report is made available to the public in accordance with the Statutes and AAD requirements;
- k. Receiving, reviewing and approving the Commission's Business Plan;
- l. Receiving and reviewing the Commission's annual Statement of Priorities;
- m. Outlining any high-level expectations, key commitments and performance priorities for the Commission at the beginning of the business planning cycle through the Commission mandate letter;
- n. Requiring the Commission, in writing, to study and make recommendations in respect of any matter of a general nature under or affecting a statute, regulation or rule that governs Ontario's capital markets and to consider making a rule in respect of a matter specified by the Minister pursuant to section 143.7 of the *Securities Act* and section 72 of the *CFA*;
- o. Meeting with the Chair and CEO to discuss issues relating to the fulfilment of the Commission's mandate;
- p. Informing the Chair and CEO of the Government's priorities and policy directions for the Commission;
- q. Consulting, where appropriate, with the Chair and CEO on significant new directions or when the Government is considering regulatory or legislative changes for the Statutes; and
- r. Developing the MOU with the Commission, as well as any amendments to it, and signing the MOU into effect after it has been signed by the Chair and CEO.

8.2 CHAIR AND CEO

The Chair and CEO is responsible for:

- a. Providing strategic leadership to the Members and ensuring that the Members meet their responsibilities;

- b. Chairing Board and Commission meetings and the management of the agenda for Board and Commission meetings;
- c. Monitoring the activities and performance of the Commission and regularly reporting to the Members and to the Minister as requested, and within agreed upon timelines, including an annual letter confirming the Commission's substantial compliance with all applicable legislation, directives, and accounting and financial policies;
- d. Informing the Minister, in a timely manner, of significant or contentious matters regarding the Commission that are likely to be of interest to the Minister in the exercise of his or her responsibilities, or that are likely to be raised in the legislature or the media. Such communications shall not include discussion or exchanging of confidential information about current, past or future investigations, cases or proceedings before the Commission, Tribunal, Director or the courts;
- e. Providing orientation to the Board with regard to the mandate of the Commission, as well as the Government's priorities and policy directions for the Commission;
- f. Ensuring that the Members are advised and informed, as appropriate, about any consultations or communications with the Minister or the Ministry;
- g. Keeping the Minister informed of upcoming appointment vacancies and communicating the recommendations of the Chair and CEO on candidates for appointment or re-appointment to the Commission;
- h. Complying with information requests made by the Minister or the Deputy Minister in a timely manner;
- i. Developing the MOU with the Minister and with Board approval, signing the MOU on behalf of the Commission;
- j. Submitting the Commission's Business Plan, budget, Statement of Priorities, Annual Report and financial reports, on behalf of the Commission, to the Minister in accordance with the timelines specified in the Statutes and Applicable Directives;
- k. Cooperating with any review or audit of the Commission directed by the Minister or TB/MBC; providing both the Minister and the President of Treasury Board with a copy of every audit report, a copy of the Commission's response to each report, and any recommendation in the report; and advising the Minister annually on any outstanding audit recommendations;
- l. Reviewing and approving claims for per diems and travel expenses for Members;
- m. Ensuring that conflict of interest rules that the Commission is required to follow, as set out in Ontario Regulation 381/07 under the PSOA, are in place for Members and employees of the Commission;
- n. Fulfilling the role of Ethics Executive for Members and Commission employees other than the Chair and CEO, promoting ethical conduct and ensuring that all are informed of their responsibilities under the PSOA and familiar with the ethical rules to which they are subject, including the rules on conflict of interest, political activity and protected disclosure of wrongdoing that apply to the Commission;
- o. Advising the Members on the requirements of and the Commission's compliance with the AAD, as well as other Applicable Directives, and Commission by-laws, rules and policies, including annually attesting to the Commission's compliance with mandatory requirements;
- p. Overseeing the management of the financial and other affairs of the Commission in accordance with its statutory mandate and Business Plan;

- q. Leading and managing the Commission, ensuring both a high level of employee morale and the highest ethical standards of honesty, integrity and impartiality;
- r. Keeping the Members informed of the implementation of policy and the operations of the Commission;
- s. Exercising any powers and duties delegated to the Chair and CEO by the Board or assigned to the Chair and CEO by the Statutes and related legislation or regulations thereunder;
- t. Establishing a governance and risk oversight framework for the Commission to support the Board in fulfilling its responsibilities, including compliance with all applicable legislation, directives, policies, procedures and guidelines;
- u. Providing advice to the Deputy Minister, and on behalf of the Commission, on policy matters related to the capital markets regulation;
- v. Ensuring that regular updates on rule-making activity are provided to the Ministry, including proposed rules in development but not yet posted for public consultation;
- w. Seeking support and advice from the Ministry, as appropriate, on agency management issues;
- x. Consulting with the Deputy Minister as needed on matters of mutual importance and on Applicable Directives and Ministry policies;
- y. Overseeing the provision of high quality regulatory services that foster competitiveness and innovation in Ontario's capital markets, while protecting investors, fostering fair and efficient capital markets and enhancing confidence in capital markets and contributing to the stability of the financial system and the reduction of systemic risk;
- z. Representing the Commission and assuming a leadership role in national regulatory bodies and organizations to help identify and address regulatory priorities, and overseeing the Commission's initiatives with other regulators, including the Canadian Securities Administrators, the Bank of Canada and the Office of the Superintendent of Financial Institutions;
- aa. Representing the Commission and assuming a leadership role in international regulatory bodies and organizations to help identify and address international regulatory priorities, and overseeing the Commission's initiatives with international regulators, including the International Organization of Securities Commissions (IOSCO); and
- bb. Supporting the Ontario Government in the development of the Capital Markets Regulatory System, providing leadership to the initiative, ensuring that the Commission is well-positioned to continue providing leading expertise with respect to securities regulation and enforcement activities.

8.3 MEMBERS

The Members are responsible for:

- a. Establishing the goals, objectives, and strategic directions for the Commission, in accordance with the Commission's mandate as set out in the Statutes, this MOU, the Minister's agency mandate letter, and Government policies as appropriate;
- b. Overseeing the management of the affairs of the Commission so as to fulfil its mandate;

- c. Subject to the approval of the Minister and pursuant to the Statutes, making by-laws governing a variety of corporate matters;
- d. Governing the affairs of the Commission within its mandate as set out in the Statutes, its Business Plan as described in article 10.1 of this MOU, and the policy directions established by the Minister;
- e. Overseeing the implementation of actions that support the goals, objectives and strategic directions of the Commission;
- f. Directing the development of, and approving, the Commission's Business Plan for submission to the Minister within the timelines agreed upon with the Ministry or in this MOU and in compliance with the AAD;
- g. Directing the preparation of, and approving, the Commission's Annual Report for submission to the Minister for approval within the timelines established by the AAD;
- h. Monitoring the Commission's activities to ensure they are consistent with the Commission's Business Plan and Board-approved budget;
- i. Ensuring that the Commission has controls and processes in place to ensure the Commission uses funds with integrity and honesty, and only in accordance with the Statutes, based on the principle of value for money, and in compliance with applicable legislation and directives;
- j. Ensuring that the Commission is governed in an effective and efficient manner according to accepted business and financial practices, and in compliance with applicable by-laws and policies, Applicable Directives and this MOU;
- k. Establishing such Board committees and oversight mechanisms as may be required to advise the Members on effective management, governance or accountability procedures for the Commission, or as may be required by statute;
- l. Approving the MOU, and any amendments to the MOU, in a timely manner and authorizing the Chair and CEO to sign the MOU, or any amendments to the MOU, on behalf of the Commission;
- m. Approving the Commission's reports and reviews that may be requested by the Minister for submission to the Minister within agreed upon timelines;
- n. Directing the development of an appropriate risk management framework and a risk management plan and arranging for risk-based reviews and audits of the Commission as needed;
- o. Establishing and overseeing performance measures, targets and management systems for monitoring and assessing the Commission's performance;
- p. Directing corrective action to address improper functioning or operations of the Commission, if needed;
- q. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC;
- r. Ensuring that stakeholders are consulted, as appropriate, on the Commission's goals, objectives and strategic directions, and on any potential rulemaking or policy initiative by the Commission that will have an impact on Ontario's capital markets;
- s. Providing proactive advice to the Minister, through the Chair and CEO, on issues within or affecting the Commission's mandate and operations;

- t. Setting performance objectives and remuneration terms linked to these objectives for the Chair and CEO and each Vice-Chair which give due weight to the proper management and use of public resources;
- u. Overseeing the proper exercise of any powers and duties delegated by the Commission to the Members or assigned by the Commission to a Director;
- v. Evaluating the performance of the Chair and CEO pursuant to performance criteria established by the Members; and
- w. Overseeing the development of rules in accordance with the process and the requirements set out in the Statutes and the scope of rule-making authority set out in the Statutes and related legislation.

8.4 EXECUTIVE DIRECTOR AND CHIEF ADMINISTRATIVE OFFICER

Subject to the direction of the Commission, the Executive Director is the chief administrative officer of the Commission. The Executive Director and chief administrative officer of the Commission are responsible and accountable to the Chair and CEO for:

- a. Managing the day-to-day financial, analytical, and administrative affairs of the Commission in accordance with the mandate of the Commission, Statutes and related legislation, regulations and rules thereunder, Applicable Directives, accepted business and financial practices, and this MOU;
- b. Establishing policies and procedures so that the Commission's funds, and any funds administered by the Commission or the Chair and CEO, are used with integrity and honesty;
- c. Providing leadership and management to Commission employees, including human and financial resources management, in accordance with the Minister-approved Business Plan, accepted business and financial practices and standards, the Statutes, legislative requirements and Applicable Directives;
- d. Establishing and applying a financial management framework for the Commission in accordance with applicable Ministry/TBS controllership directives, policies and guidelines;
- e. Translating the goals, objectives and strategic directions of the Commission into operational plans and activities in accordance with the Minister-approved Business Plan;
- f. Carrying out in-year monitoring of the Commission's performance and reporting on results to the Board through the Chair and CEO;
- g. Preparing financial statements and reports for approval by the Board;
- h. Ensuring appropriate management systems are in place (financial, information technology, human resources) for the effective administration of the Commission;
- i. Establishing and applying the Commission's risk management framework and risk management plan, as directed by the Board;
- j. Cooperating with any periodic or ad hoc reviews directed by the Minister or TB/MBC;
- k. The development, implementation and ongoing monitoring of an effective performance measurement and management system for the Commission under the direction of the Chair and CEO. The performance measures relating to the Commission's goals and priorities once approved by the Commission and in accordance with the AAD, will be forwarded to the Minister for approval;

- l. Ensuring that the Commission provides high quality service to the public in carrying out its responsibilities and establishes a process for responding to complaints from the public. The Commission's process for responding to complaints about the quality of services is separate from any statutory provisions about re-consideration, appeals, etc. of the Commission's adjudicative or regulatory decisions;
- m. Ensuring that documents and reports are prepared as requested by the Board including corporate plans and budgets, business plans and quarterly reports; and
- n. Ensuring that documentation and proper controls are maintained to support expenditures and keep track of material variances between projected and actual expenditures.

8.5 DEPUTY MINISTER

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister in fulfilling ministerial responsibilities for the Commission;
- b. Providing advice and assistance to the Minister on the direction and development of Government policy for the regulation of capital markets in Ontario and on the legislative framework implementing such policy;
- c. Monitoring the activities of the Commission on behalf of the Minister to ensure that its mandate is being fulfilled, its performance is satisfactory, and it is acting in accordance with all applicable legislation and all Applicable Directives;
- d. Facilitating regular briefings and consultations between the Chair and the Minister, and between the Ministry staff and the agency staff as needed;
- e. Undertaking, on behalf of the Minister, assessments of the operation of the Commission and whether or not it is fulfilling its legislative mandate, including mandate reviews required under the AAD, and identifying any need for corrective action and recommending to the Minister ways to resolve any issues that have been identified;
- f. Supporting the Minister in reviewing the performance targets, measures and results of the Commission;
- g. Advising the Minister on the requirements of the AAD and other Applicable Directives that apply to the Commission;
- h. Ensuring adequate, ongoing oversight of the Commission, including appropriate reporting and coordination;
- i. Attesting to TB/MBC on the Commission's compliance with the mandatory accountability requirements set out in legislation, the AAD and other Applicable Directives;
- j. Ensuring that the Ministry and the Commission have the capacity and systems in place for ongoing risk-based management;
- k. Reviewing and assessing the Commission's Business Plan and other reports, and advising the Minister on matters submitted to the Minister for review or approval;
- l. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the Commission or any of its programs, or changes to the management framework or operations of the Commission, and undertaking or cooperating with such reviews as may be directed by the Minister or TB/MBC;

- m. Ensuring that the Commission receives such information and assistance as required or requested to meet its responsibilities under the Statutes, other relevant legislation, regulations and rules, Applicable Directives, and this MOU;
- n. Meeting with the Chair and CEO as often as needed or as directed by the Minister to discuss matters of mutual importance and issues relating to the effective discharge of the Commission's mandate and the efficient operation of the Commission;
- o. Consulting with the Chair and CEO on policy development as appropriate; and
- p. Ensuring that, when the Ministry is notified of changes to TB/MBC directives that may apply to the Commission, or of changes to Applicable Directives and policy directions, the Commission is made aware of these changes.

9. Ethical Framework

- a. The Members, the Chair and CEO and Commission employees shall follow the conflict of interest rules established under the PSOA, which are set out in Ontario Regulation 381/07 (Conflict of Interest Rules for Public Servants (Ministry) and Former Public Servants (Ministry)), made under the PSOA. All Directors and employees of the Commission are subject to the conflict of interest rules set out under the PSOA and the AAD.
- b. Members shall not use any information gained as a result of their appointment to or membership of the Commission for personal gain or benefit.
- c. The Chair and CEO, as the Ethics Executive for the Commission, is responsible for ensuring that Members and staff of the Commission are informed of, and held accountable to, the ethical rules to which they are subject, including the rules on conflict of interest, political activity and protected disclosure of wrongdoing that apply to the Commission.

10. REPORTING REQUIREMENTS

10.1 BUSINESS PLAN

- a. The Business Plan shall cover, at a minimum, the Commission's next three fiscal years.
- b. The Board shall ensure that the Commission's Business Plan:
 - i. Includes a system of performance measures for the Commission and a system of reporting on the achievement of objectives set out in the Business Plan;
 - ii. Includes a risk assessment and risk management plan to assist the Ministry in developing its risk assessment and risk management plan information in accordance with the requirements of the AAD;
 - iii. Sets out projected revenues of the Commission and their sources;
 - iv. Sets out capital and operating expenditures of the Commission; and
 - v. Sets out how the Commission's activities are aligned with any Government and Ministry policy objectives provided to the Commission.
- c. The Board shall ensure that the Commission's Business Plan meets the requirements of the AAD and any other requirements set out in this MOU.

- d. Prior to submitting the Business Plan to the Minister, the Commission shall first submit its Business Plan to the Ministry's Chief Administrative Officer or designated equivalent at least three months before the start of the Commission's fiscal year. Senior Commission employees and senior Ministry staff shall discuss the contents of the Business Plan in respect of the alignment of the Commission's key initiatives, as identified in the Business Plan, with the Government's policy directions, performance standards, and the plan's compliance with the AAD.
- e. Ministry staff shall exercise due diligence in their review of the Commission's Business Plan prior to making any recommendation for approval by the Minister. Ministry staff may request additional information and analysis from the Commission, as necessary, for the purpose of this review.
- f. The Minister will review the Commission's Business Plan and will advise the Board whether or not he/she concurs with the directions proposed by the Commission. The Board will reconsider the Business Plan accordingly if required based on the Minister's comments and direction. A Business Plan is only to be considered valid once the Minister has approved the plan and the approval has been expressed in writing.
- g. In addition, the Minister or TB/MBC may require the Board to submit the Commission's Business Plan to TB/MBC for review at any time.
- h. The Chair and CEO will ensure that the Commission's Minister-approved Business Plan is made available to the public in an accessible format on the Commission's website in compliance with AAD requirements.
- i. The Commission shall include a Statement of Priorities in its Business Plan. The statement of priorities shall set out the proposed priorities of the Commission in connection with its responsibilities under the Statutes and related legislation, and the rules and regulations thereunder. The Commission shall consult with the Ministry and with participants in capital markets on its proposed Statement of Priorities.

10.2 ANNUAL REPORT

- a. The Chair and CEO, on behalf of the Board, is responsible for ensuring that the Commission's Annual Report, including its audited financial statements, is prepared and submitted to the Minister for approval, and following approval is publicly posted, in accordance with the requirements set out in the AAD and the *Securities Act*.
- b. The Chair and CEO shall ensure that the Annual Report fulfils any requirements set out in Applicable Directives and this MOU.
- c. Ministry staff shall exercise due diligence in their review of the Annual Report prior to making any recommendation for approval by the Minister. Ministry staff may request reasonable additional information and analysis from the Commission, as necessary, for the purpose of this review.

10.3 RULE-MAKING

- a. The Commission shall provide the Ministry with regular and timely overviews of the Commission's rule-making activity, specifying:
 - i. Rules with the Minister for review and decision, pursuant to section 143.3 of the *Securities Act* and section 68 of the *CFA*;

- ii. Rules that have completed their public consultation period and are expected to be delivered for the Minister's review and decision;
 - iii. Rules published for public comment, pursuant to section 143.2 of the *Securities Act* and section 67 of the *CFA*; and
 - iv. Rules expected to be published for public comment within the next 180 days.
- b. The Commission shall, in deciding upon the need for a proposed rule, consider purposes of the Statute under which the rule would be made, along with the qualitative and quantitative analysis of the anticipated costs and benefits.
- c. At least 30 days prior to the proposed date of publication of a proposed rule for public comment, unless the rule is urgent, the Commission shall provide the Ministry with a draft of the proposed rule and supporting information including: a summary of the reasons for making the rule, a summary of consultation, if any, undertaken during the development of the rule prior to its publication for comment, and a summary of the impact of the expected rule.
 - i. If any material amendment is subsequently made to the proposed rule, the Commission shall as soon as practicable provide the Ministry with a copy of the amended rule and a reason for the amendment, including any stakeholder feedback that led to the amendment.
 - ii. At the request of the Minister and/or the Deputy Minister, the Chair and CEO shall make a presentation on the proposed rule.
- d. The Ministry may provide the Commission with written questions, comments and suggested revisions in respect of a proposed rule. The Ministry shall provide its questions, comments and suggested changes within 30 days of receiving a copy of the proposed rule and supporting information, unless the Ministry requires additional time to review the proposed rule, in which case the Ministry shall inform the Commission of when the Ministry will be able to provide the Commission with its questions, comments and suggested revisions. The Commission shall respond to the Ministry's questions and comments and consider the Ministry's suggested revisions to the proposed rule.
- e. Subject to article 10.3.d., in the case of a rule other than a Fee rule or an urgent rule, the Commission may publish the proposed rule for public comment if, after 30 days have elapsed from the delivery to the Ministry of the draft proposed rule and supporting information, the Minister or the Deputy Minister has not objected to the draft of the proposed rule or the Ministry has not requested additional time to review the proposed rule.
- f. In the case of a Fee rule, the Commission shall not publish the proposed rule for public comment without consulting with the Deputy Minister or the Minister.
- g. If the Commission makes any material changes to the rule after the public comment period such that a notice of the proposed changes is required under subsection 143.2(7) of the *Securities Act* or subsection 67(7) of the *CFA*, the Commission shall, at least two weeks prior to the proposed date of publication of the revised rule for public comment, notify the Ministry of the proposed date of publication for the second comment period and provide the Ministry with a copy of the draft changes to the rule and the notice.
- h. The Commission shall, when delivering a rule to the Minister in accordance with section 143.3 of the *Securities Act* or section 68 of the *CFA*, provide the Minister with details of the Commission's response to the significant issues and concerns brought to the attention of the Commission during the comment periods.

- i. The Commission shall, in its notice of consultations concerning a proposed rule, acknowledge that the Minister's statutory period for review and approval of the rule is 60 days.
- j. In the case of an urgent rule, the preceding provisions of article 10.3 do not apply.

10.4 OTHER REPORTS

The Chair and CEO is responsible, on behalf of the Board for:

- a. Ensuring that the reports and documents set out in Appendix 1 to this MOU are submitted for review and approval by the Minister and, where applicable, subsequently published in a timely manner, in accordance with any timelines prescribed by the Statutes, a regulation, the AAD or otherwise set out in Appendix 1; and
- b. Supplying specific data and other information, at the request of the Minister or the Deputy Minister, that may be required from time to time for the purpose of the Ministry's administration.

11. Public Posting Requirements

- a. The Commission, through the Chair and CEO acting on behalf of the Board, will ensure that the Business Plan, the Annual Report, the agency mandate letter, this MOU and any letter of affirmation, and any Statement of Priorities are posted in an accessible format on the Commission's website, in accordance with any timelines required by legislation or the AAD, where applicable.
- b. Posted governance documents should not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets or scientific information, information that would prejudice the financial or commercial interests of the Commission in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the Commission.
- c. The Commission, through the Chair and CEO acting on behalf of the Board, will ensure that the expense information for Members and senior management staff is posted on the Commission website, in accordance with the requirements of the *Travel, Meal and Hospitality Expenses Directive*.
- d. The Commission, through the Chair and CEO on behalf of the Board, will ensure that rules and proposed rules are posted in accordance with the Statutes.
- e. The Commission, through the Chair and CEO acting on behalf of the Board, will ensure that any other applicable public posting requirements are met.

12. Communications and Issues Management

The parties to this MOU recognize that the timely exchange of information on the operations and administration of the Commission is essential for the Minister to meet his/her responsibilities for reporting and responding to the Legislative Assembly on the affairs of the Commission. The parties also recognize that it is essential for the Chair and CEO, on behalf of the Board, to be

kept informed of Government initiatives and policy directions that may affect the Commission's mandate and functions. The parties therefore agree that:

- a. Despite any other section of this MOU, communications shall not include discussion or exchanging of confidential information between the Commission personnel and the Minister, Deputy Minister or Ministry staff about current, past or future investigations, cases or proceedings before the Commission, the Director, or the courts;
- b. The Ministry of Finance and the Commission have established an information sharing protocol under which the Commission does not share information relating to securities regulatory investigations or proceedings except in accordance with the protocol and the *Securities Act*. In addition to the protocol, inquiries received by the Minister's office regarding investigations, cases or proceedings before the Commission or the courts are re-directed to the Commission. Any response made by the Minister's office to the inquiring party will indicate that the inquiry has been forwarded to the Commission and that the Minister cannot interfere with an enforcement investigation or proceeding;
- c. The Chair and CEO will keep the Minister advised, in a timely manner, of all planned events, significant developments or issues in Ontario's capital markets and any contentious matters, that may concern or could be reasonably expected to concern the Minister in the exercise of his/her responsibilities;
- d. The Minister will consult with the Chair and CEO in a timely manner, as appropriate, on Government policy initiatives, directives and legislation being considered by the Government that may impact on the Commission's mandate or functions, or would otherwise have a significant impact on the Commission;
- e. The Minister and the Chair and CEO will consult with each other on significant public communication strategies and publications. They will keep each other informed as appropriate of the results of stakeholder and other public consultations and discussions;
- f. The Minister and the Chair and CEO will meet at least annually, or as requested by either the Minister or the Chair, to discuss issues relating to the fulfillment of the Commission's mandate;
- g. The Deputy Minister, or the Deputy Minister's representative, and the Chair and CEO will meet as requested by either party, to discuss issues of mutual interest to the Ministry and the Commission, and issues relating to the delivery of the Commission's mandate and the efficient operation of the Commission. The Deputy Minister and the Chair and CEO shall provide timely information and advice to each other concerning significant matters affecting the Commission's management or operations; and
- h. Senior Ministry staff and senior Commission employees shall meet, as requested by either party, to exchange information and collaborate on policy development and implementation.

13. Administrative Arrangements

13.1 APPLICABLE DIRECTIVES

- a. The Chair and CEO, on behalf of the Board, is responsible for ensuring that the Commission operates in accordance with all Applicable Directives, as well as applicable Ministry financial and administrative policies and procedures.

- b. When the Ministry is notified of amendments or additions to directives, policies and guidelines that apply to the Commission, the Ministry will inform the Commission in a timely manner.
- c. When the Commission requests a list of all applicable directives it is subject to, Ministry staff shall provide a full comprehensive list of the most recent versions in a timely manner.

13.2 ADMINISTRATIVE AND ORGANIZATIONAL SUPPORT SERVICES

- a. The Commission will be responsible for all administrative services including human resource support services, financial, administration and payroll processing, training, staff development and information technology development and operations support.
- b. The Commission may participate in Government-wide shared services or administrative arrangements, where appropriate.
- c. The Commission is responsible for the provision of its own legal services but may, where mutually agreed upon in accordance with a memorandum of understanding established between the Commission and the Ministry of the Attorney General ("MAG"), use legal services provided by MAG.

13.3 AGREEMENTS WITH THIRD PARTIES

- a. The Commission shall submit, to the Minister for approval, a copy of every agreement, memorandum of understanding or arrangement between the Commission and,
 - I. another securities or financial regulatory authority;
 - II. any self-regulatory body or organization; or
 - III. any jurisdiction,

in accordance with subsections 143.10 of the *Securities Act* and 74(1) of the *CFA*.

13.4 CREATION, COLLECTION, MAINTENANCE AND DISPOSITION OF RECORDS

- a. The Board is responsible for ensuring that a system is in place for the creation, collection, maintenance and disposal of records.
- b. The Board, through the Chair and CEO, is responsible for ensuring that the appropriate oversight framework is in place in order to ensure that the Commission complies with all Government legislation, regulations, directives and policies related to information and records management.
- c. The Chair and CEO and the Board shall protect the legal, financial and other interests of the Commission by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records in its custody or control, including records created, commissioned or acquired by the Commission. This includes, but is not limited to, all electronic records, such as emails, information posted on the Commission's website(s), database data sets, and all records stored on personal computers and shared drives.
- d. The Chair and CEO is responsible for ensuring measures are implemented requiring the Commission's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.

- e. The Chair and CEO is responsible for ensuring that the Commission complies with the *Archives and Recordkeeping Act, 2006*, S.O. 2006, Chapter 34, Schedule A.

13.5 INTELLECTUAL PROPERTY

- a. The Chair and CEO is responsible for ensuring that the legal, financial and other interests of the Government related to intellectual property are protected in any contract that the Commission may enter into with a third-party that involves the creation of intellectual property.

13.6 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- a. The Chair and CEO and the Minister acknowledge that the Commission is a designated institution bound to follow the requirements set out in the *Freedom of Information and Protection of Privacy Act (FIPPA)* in relation to the collection, retention, security, use, access, disclosure, distribution and disposal of records.
- b. The Minister is the institution head for the purposes of the FIPPA.
- c. The Commission shall respond to access requests and privacy complaints and shall fulfil all requirements under FIPPA with support from the Ministry of Finance FIPPA Coordinator.

13.7 SERVICE STANDARDS

- a. The Commission shall establish a formal process for responding to complaints about the quality of services received from members of the public and stakeholders that is consistent, as appropriate, with the Government's service quality standards.
- b. The Commission's process for responding to complaints about the quality of services is separate from any statutory provisions about re-consideration or appeals of the Commission's regulatory decisions.
- c. The Commission's Business Plan will include performance standards and measures for client service and for responding to complaints received from members of the public and stakeholders about the quality of services received from the Commission.
- d. The Commission shall comply with the *French Language Services Act* and the *Accessibility for Ontarians with Disabilities Act, 2005*.

13.8 PROCUREMENT ARRANGEMENTS

- a. The Commission is considered an "Other Included Entity" under the Procurement Directive and shall comply with its applicable obligations.
- b. Any relevant by-laws made by the Commission shall be in accordance with the Commission's status as an "Other Included Entity" under the Procurement Directive.
- c. Any procurement policy established by the Commission shall be in compliance with the principles and applicable requirements of the Procurement Directive.

13.9 INFORMATION AND INFORMATION TECHNOLOGY (I&IT)

- a. The Commission is responsible for establishing internal I&IT policies and standards that align with OPS I&IT directives, policies and standards, and reflect the Commission's governance structure.
- b. The Commission is responsible for the provision of its own information technology (IT) services. The Commission is responsible for telephony services, hardware, software, IT business continuity and disaster recovery planning, cybersecurity, and IT-related staff training.
- c. The Commission does not use the OPS IT infrastructure, telephony or IT services, with the exception of data centre facilities and services as may be agreed with the Ministry of Government and Consumer Services or an OPS I&IT cluster.
- d. The Commission effectively governs technical architecture, applies corporate risk oversight to its IT services and adheres to OPS project management frameworks and methodologies as appropriate. Standing and steering committees are established for all projects, as appropriate, in the opinion of the Chair and CEO or their delegate.

14. Financial Arrangements

14.1 GENERAL

- a. All financial procedures for the Commission shall be in accordance with approved financial management by-laws of the Commission and applicable TB/MBC, Government and Ministry directives and policies.
- b. The Minister must approve terms and conditions of any short-term (up to two years) borrowing by the Commission (*Securities Act*, s. 3.3(2)).
- c. The Commission shall not invest funds or manage financial risks unless the activity is authorized by a by-law of the Commission and the by-law is approved by the Minister in accordance with the *Securities Act*.
- d. Pursuant to Section 28 of the *Financial Administration Act*, the Commission shall not enter into any financial arrangement or commitment, guarantee, indemnity or similar transaction that would increase, directly or indirectly, the indebtedness or contingent liabilities of the Government without the written approval of the Minister or delegate or as otherwise permitted under the *Financial Administration Act*.
- e. The Commission will maintain, in a manner consistent with generally accepted accounting principles, proper and complete financial records.

14.2 FUNDING

- a. The operations of the Commission are funded by Fees collected from market participants and details regarding the Commission's authority with respect to the Fees and revenue it collects are set out in section 3.4 of the *Securities Act*; any authorized borrowing by the Commission to offset an unfunded or unexpected expense will eventually be recovered by the Commission through Fees collected from Ontario's capital markets participants as set forth in the Commission's budget.

- b. The Commission may budget over a multi-year cycle.
- c. The Ministry acknowledges that the Commission will use various Fees to fund its oversight of the Ontario's capital markets.
- d. Rules governing Fees should reflect the budgeted expenses and expenditures of regulation and the reasonable cost of the Commission's operations.
- e. Fees shall be examined regularly and should be adjusted as appropriate based on any unanticipated surplus or deficit during the Commission's budget cycle and subject to funding of any contingency reserve amount provided for in the Commission's budget.

14.3 FINANCIAL REPORTS

- a. The Chair and CEO, on behalf of the Board, will provide to the Minister audited annual financial statements for the Commission and will include them as part of the Commission's Annual Report. The statements will be provided in a format that is in accordance with the accounting policies issued by the Province's Office of the Provincial Controller Division.
- b. The Commission will submit its salary information to the Minister and/or the President of the Treasury Board, through the Ministry, in accordance with the *Public Sector Salary Disclosure Act, 1996*.

14.4 TAXATION STATUS: HARMONIZED SALES TAX (HST)

- a. The Commission is responsible for complying with its obligations as a supplier under the federal *Excise Tax Act* to collect and remit HST in respect of any taxable supplies made by it.
- b. The Commission is responsible for paying HST where applicable, in accordance with the federal *Excise Tax Act*.
- c. The Commission is listed on Schedule "A" of the Canada-Ontario Reciprocal Taxation Agreement. Under the Canada-Ontario Reciprocal Taxation Agreement, the Commission is entitled to claim HST government rebates in respect of any HST paid by the agency to suppliers, subject to any restrictions specified by Finance Canada.
- d. The agency will not claim an HST government rebate in respect of tax for which it has claimed a refund, input tax credit or other rebate under the *Excise Tax Act* (Canada).
- e. The Commission is responsible for providing the Ministry or the Canada Revenue Agency, upon request, with any information necessary to determine the amount of an HST rebate.

15. Audit and Review Arrangements

15.1 AUDITS

- a. The Commission is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the *Auditor General Act* or by the Ontario Internal Audit Division of Treasury Board Secretariat.

- b. The Ontario Internal Audit Division may also carry out an internal audit, if approved to do so by the Ministry's Audit Committee or by the Corporate Audit Committee.
- c. The Chair and CEO, on behalf of the Board, may request an external audit of the financial transactions or management controls of the Commission, at the Commission's expense.
- d. Regardless of any previous or annual external audit, the Minister may direct that the Commission be audited at any time.
- e. The Chair and CEO, as well as the Board, shall cooperate in any audit of the Commission.
- f. The Commission shall promptly provide a copy of every report from any audit referred to above to the Minister. The Commission shall also provide a copy of its response to the audit report and any recommendations therein.
- g. The Chair and CEO shall advise the Minister annually on any outstanding audit recommendations.

15.2 FINANCIAL STATEMENTS

- a. Pursuant to the *Securities Act*, the Commission shall prepare financial statements according to generally accepted accounting principles. The financial statements must present the financial position, results of operations and changes in the financial position of the Commission for its most recently completed financial year.
- b. The Commission shall appoint one or more auditors licensed under the *Public Accounting Act, 2004* or the Auditor General of Ontario to audit the financial statements of the Commission for each financial year.
- c. The Chair and CEO shall provide the Minister with a copy of any report from an audit of the Commission conducted pursuant to paragraph 15.2(b) of this MOU. The Chair shall have an opportunity to comment on any audit report that is submitted to the Minister or Management Board prior to such submission.

15.3 OTHER REVIEWS

- a. The Commission is subject to periodic review initiated at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the Commission that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure and/or operations of the Commission.
- b. In requiring a periodic review, the Minister or TB/MBC shall determine the timing and responsibility for conducting the review, the roles of the Chair and CEO, the Board and the Deputy Minister, and how any other persons or entities are involved.
- c. A mandate review of the Commission will be conducted at least once every seven years.
- d. The Minister will consult the Chair and CEO, on behalf of the Board, as appropriate during any such review.
- e. The Chair and CEO, as well as the Board, will cooperate in any review.

16. Appointments

16.1 APPOINTMENTS

- a. The Chair and CEO is designated by the Lieutenant Governor in Council on the recommendation of the Minister for the term specified by the Lieutenant Governor in Council, which must not exceed his or her term as a Member.
- b. Members are appointed by the Lieutenant Governor in Council on the recommendation of the Minister.
- c. The maximum number of Members as set out in the *Securities Act* is 16.

16.2 REMUNERATION

- a. Remuneration for Members, including the Chair and CEO, is set by the Commission's by-laws that are subject to the approval of the Minister.
- b. Members, including the Chair and CEO, shall be reimbursed for reasonable expenses incurred in carrying out their duties in accordance with the *Travel, Meal and Hospitality Expenses Directive*.
- c. Travel expenses of Members must comply with the *Travel, Meal and Hospitality Expenses Directive*.

16.3 COMMISSION EMPLOYEES

- a. Commission employees are accountable to the Chair and CEO and delegates of the Chair and CEO. Employees of the Commission are public servants under the PSOA.
- b. The Commission is a public body for the purposes of the PSOA and public servants who work in the Commission are subject to those parts of the PSOA that establish a conflict of interest framework, provisions relating to political activity, and the mechanisms for wrongdoing in the public service. Employees of the Commission are public servants under the PSOA and are subject only to those provisions described above.

17. Risk Management, Liability Protection and Insurance

17.1 RISK MANAGEMENT

- a. The Commission is to evaluate and manage risk in accordance with the requirements of the AAD.
- b. The Commission shall ensure that the risks it faces are dealt with in an appropriate manner.

17.2 IMMUNITY

- a. Pursuant to the *Securities Act*, no action or other proceeding for damages shall be instituted against the Commission or any member thereof, or any employee or agent of the Commission for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under Ontario securities

law, or for any neglect or default in the performance or exercise in good faith of such duty or power.

- b. Pursuant to the *CFA*, no action or other proceeding for damages shall be instituted against the Commission or any member thereof, or any employee or agent of the Commission for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under Ontario commodity futures law, or for any neglect or default in the performance or exercise in good faith of such duty or power.

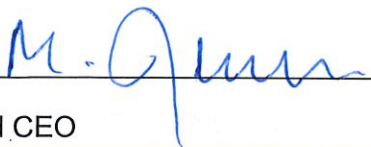
17.3 INSURANCE

- a. The Commission is not covered under the Province's Protection Program and will purchase appropriate insurance including but not limited to Commercial General Liability insurance. The Commission will, upon request, provide the Ministry with proof of such insurance.

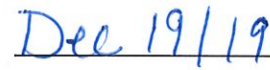
18. Effective Date, Duration and Periodic Review of the MOU

- a. This MOU becomes effective on the date it is signed by the Minister as the last party to execute it ("Original Effective Date") and continues in effect until it is revoked or replaced by a subsequent MOU signed by the parties.
- b. A copy of the signed MOU and any successor MOU must be provided to the Secretary, TB/MBC.
- c. Upon a change in the Minister or Chair and CEO, both parties must affirm by letter that this MOU will continue in force without a review (and attach the signed letter to the MOU); or alternatively, the parties may agree to revise it and sign a new MOU; within six months of the change.
- d. A copy of the letter of affirmation, or a new MOU between the Minister and the Commission must be provided to the Secretary, TB/MBC within six months of the new signatory or signatories' commencement.
- e. Either the Minister or the Chair and CEO, on behalf of the Board, may initiate a review of this MOU by written request to the other.
- f. If either of the parties deems it expedient to amend this MOU, they may do so only in writing. Any amendment shall only be effective after approval by the parties.
- g. A full review and replacement of this MOU will be conducted promptly in the event of a significant change to the Commission's mandate, powers or governance structure as a result of an amendment to the Act or any other applicable legislation.
- h. The *Securities Act* requires that every 5 years the Commission and the Minister shall enter into an MOU setting out:
 - a. The respective roles and responsibilities of the Minister and the Chair and CEO of the Commission;
 - b. The accountability relationship between the Commission and the Minister;
 - c. The responsibility of the Commission to provide to the Minister business plans, operational budgets and plans for proposed significant changes in the operations or activities of the Commission; and
 - d. Any other matter that the Minister may require.

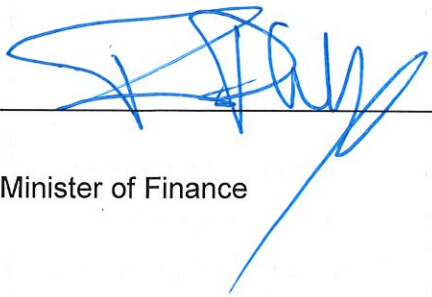
Signatures




Chair and CEO
Ontario Securities Commission



Date



Minister of Finance



Date

Appendix 1: Summary of Key Reporting Requirements

REPORT / DOCUMENT	DUE DATE	RESPONSIBLE OFFICIALS
Business Plan	Submitted annually	Chair and CEO (prepares) Board (approves) Chair and CEO (provides to Minister)
Annual Report	Submitted annually	Chair and CEO (prepares) Board (approves) Chair and CEO (provides to Minister)
Statement of Priorities	Submitted annually	Chair and CEO (prepares) Commission (approves) Chair and CEO (provides to Minister)
Audited Financial Statements Annual Financial Reports	Annually	Chair and CEO (prepares) Board (approves financial reports)
Memorandum of Understanding	Reviewed at least once every 5 years	Board (approves) Chair and CEO (signs and provides to Minister)
Public Sector Salary Disclosure (PSSD)	Annually	Chair and CEO (provides to Minister)
Attestation of Compliance with Legislation and Applicable Directives	Annually	Chair and CEO attests Chair and CEO (provides letter to Minister)
Procurement Activity Report	Annually	Chair and CEO (provides to Deputy Minister)
Audit Reports	Within 7 days of the release of the report	Chair and CEO (provides to Minister)

Outstanding Audit Recommendations	Annually	Chair and CEO (provides to Minister)
All By-Laws	Immediately after the by-law is passed by the Commission	Board (approves) Chair and CEO (provides to Minister)
Any other reports as required by legislation or Applicable Directives	As required	Submit to the responsible Minister, with a copy to the Minister of Finance as appropriate

Appendix 2: Applicable Legislation*

Legislation applicable to the Commission includes:

- Securities Act, R.S.O. 1990, c.S.5
- Commodity Futures Act, R.S.O. 1990, c. C. 20
- Business Corporations Act, R.S.O. 1990 c. B.16
- Public Service of Ontario Act, 2006, c. 35, Sched. A
- Freedom of Information and Protection of Privacy Act, R.S.O. 1990, F. 31
- Public Sector Salary Disclosure Act, 1996, S.O. 1996, c.1, Sched. A
- Financial Administration Act, R.S.O. 1990, c. F.12
- French Language Services Act, R.S.O. 1990, c. F.32
- Archives and Recordkeeping Act, 2006, S.O. 2006, c. 34, Sched. A
- Accessibility for Ontarians with Disability Act, 2005, S.O. 2005, c.11
- Pay Equity Act, R.S.O. 1990, c. P.7
- Public Sector Expenses Review Act, 2009, S.O. 2009, c.20
- Occupational Health and Safety Act, R.S.O.1990, c.O.1
- Statutory Powers Procedure Act, R.S.O. 1990, c.S.22
- Broader Public Sector Executive Compensation Act, 2014, S.O. 2014, c. 13, Sched. 1
- Broader Public Sector Accountability Act, 2010, S.O. 2010, c.25
- Tribunal Adjudicative Records Act, 2019, S.O. 2019, c. 7, Sched. 60

*Please note: this is not an exhaustive list

Appendix 3: Applicable Directives*

1. The following TB/MBC and Government Directives apply to the Commission:
 - Agencies and Appointments Directive
 - Travel, Meal and Hospitality Expenses Directive (the Commission received special status for international travel under this Directive)
 - Ontario Public Service (OPS) Procurement Directive (Note: the Commission is considered an "Other Included Entity" under this directive)
 - Corporate Policy on Recordkeeping
 - Corporate Policy on Protection of Personal Information
 - Communications in French Directive
 - Visual Identity Directive
 - Broader Public Sector Compensation Information Directive
 - Advertising Content Directive
 - Delegation of Authority Key Directive
 - Open Data Directive
 - MBC Realty Directive
 - Perquisites Directive
 - Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services
 - Internal Audit Directive
 - Disclosure of Wrongdoing Directive
 - Internal Control Policy

*Please note: this list is as of November 28, 2019 and may change from time to time

2. The Commission is responsible for complying with all directives to which it is subject, irrespective of whether it is included on the list above.
3. The Ministry will inform the Commission of amendments or additions to directives, policies and guidelines that apply to the Commission.
4. Where the matters dealt with in these directives are the subject of provisions of the *Securities Act*, the regulations and the rules thereunder, the latter provisions will govern.

